

Message Text

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P R 102206Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA PRIORITY

AMCONSUL RIO DE JANEIRO PRIORITY

INFO AMCONSUL SAO PAULO

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E.O. 11652 N/A

TAGS: BEXP, BR

SUBJECT: BRAZILIAN STEEL EXPANSION PROGRAM: U.S. INDUSTRY

TASK FORCE MEETINGS

REF: BRASILIA 8862, STATE 249689

1. ON NOVEMBER 26 MR. BARBOSA HELD A SERIES OF MEETINGS WITH DEPUTY ASSISTANT SECRETARY AND DIRECTOR BIC HOSTLER AND THE MAJOR EXPORT PROJECTS DIVISION. DISCUSSIONS AGAIN CENTERED AROUND PROBABILITY OF ADEQUATE U.S. INDUSTRY RESPONSE TO SIDERBRAS' THIRD PHASE EXPANSION PROGRAM. MR. BARBOSA EMPHASIZED VARIOUS TIMES THAT SIDERBRAS WELCOMES AND DESIRES AN AGGRESSIVE U.S. RESPONSE. HE BELIEVES U.S. FIRMS ARE IN A FAVORED POSITION BUT IN ORDER TO SPARK MORE FAVORABLE INTEREST, SIDERBRAS IS PREPARED TO BE MORE FLEXIBLE ON THE TERMS AND CONDITIONS OF THE PROGRAM. HE SIGHTED AS EXAMPLE SIDERBRAS WILLINGNESS TO CHANGE FROM A SINGLE TO A DUAL EQUIPMENT LIST BECAUSE OF OBJECTIONS

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RAISED BY USG. WE REMINDED MR. BARBOSA THAT WHILE WE MAY

BE CONVINCED OF BRAZIL'S GOOD INTENTIONS, SIDERBRAS HAS TO CONVINCE U.S. INDUSTRY OF THEIR FAVORED CHANCES FOR WINNING CONTRACTS TO STIMULATE U.S. RESPONSE. BARBOSA REITERATED HIS DESIRE TO HOST A USG/U.S. INDUSTRY TASK FORCE AS A MEANS TO DISCUSS AND REACH WORKABLE COMPROMISES WITH U.S. INDUSTRY. BARBOSA ASKED DEPUTY ASSISTANT SECRETARY HOSTLER TO LEAD SUCH A DELEGATION, (LATER

CONFIRMED BY LETTER FROM BRAZILIAN AMBASSADOR CASTRO.) IT WAS MUTUALLY AGREED THAT WITHOUT HIGHLEVEL REPRESENTATION ON THE PART OF BOTH SIDERBRAS/GOB AND U.S. INDUSTRY, IT WOULD BE DIFFICULT TO DEVELOP THE PROPER FORUM FOR DISCUSSING THEIR RESPECTIVE POSITIONS. MEETINGS WOULD TAKE PLACE IN BRASILIA DURING THE WEEK OF JANUARY 20.

3. WE HAVE DISCUSSED THE PROPOSED USG/U.S. INDUSTRY TASK FORCE MEETINGS WITH U.S. INDUSTRY AND THE FOLLOWING COMPANIES HAVE INDICATED THEY WILL PARTICIPATE:

COMPANY	REPRESENTATIVE
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ARTHUR G. MCKEE	WILLIAM RICHARDS, PRESIDENT
-	MCKEE NORTH AMERICA
-	CHARLES GOLSON,
-	VICE PRESIDENT

DRAVO CORPORATION	ENOCH PERKINS,
-	VICE PRESIDENT
-	EDWARD CARROLL,
-	SALES MANAGER

AIR PRODUCTS AND CHEMICALS	PAT DYER, VICE PRESIDENT
-	R. T. MAYNARD,
-	SALES MANAGER

KOPPERS CORPORATION	ROBERT WILSON,
-	VICE PRESIDENT
-	ZIMMERMAN, SALES MANAGER

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MEST A MACHINE	T. G. KUCHINIC,
-	VICE PRESIDENT
-	DARREL SMITH, DIRECTOR,
-	SALES LATIN AMERICA

SWINDELL DRESSLER	JOHN M. GUERNSEY,
-	VICE PRESIDENT
-	CHARLES M. RUSSELL,

- SALES MANAGER

BLOW KNOX C. E. MCFARLAND,
- VICE PRESIDENT

WEAN UNITED J. R. KNOX, VICE PRESIDENT

E. W. BLISS ROGER GILPATRICK,
- VICE PRESIDENT

4. IT WAS ALSO UNDERSTOOD THAT OBJECTIVES OF THE TASK
FORCE WOULD BE AS FOLLOWS:

. PROVIDE A CONDUCIVE ATMOSPHERE FOR
HIGHLEVEL DISCUSSION OF PROJECT
PARAMETERS.

. EMPHASIZE USG DESIRE TO GAIN A FAIR
SHARE OF THE BUSINESS BY WORKING IN
CONCERT WITH QUALIFIED U.S. COMPANIES;

. ESTABLISHMENT OF A JOINT USG/GOB
MECHANISM TO FACILITATE SUBMISSION OF
U.S. PROPOSALS AND TO MONITOR POSITION
OF U.S. FIRMS DURING COMPETITION.

5. WE RECOMMEND THE FOLLOWING AGENDA FOR THE TASK FORCE
MEETINGS:

WEDNESDAY, JANUARY 22

1400-1500 MEET WITH AMBASSADOR CRIMMONS
1500-1700 BRIEFING BY EMBASSY STAFF
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1900 EMBASSY RECEPTION

THURSDAY, JANUARY 23

1000-1200 SIDERBRAS - BARBOSA AND DIRECTORS
CSN, COSIPA, USINMINAS
1200-1400 LUNCHEON HOSTED BY SIDERBRAS
1400-1600 SIDERBRAS - DIRECTOR ENGINEERING
AND STAFF
1600-1700 SIDERBRAS - DIRECTOR FINANCE AND STAFF
1900 U.S. INDUSTRY COCKTAIL BUFFET

FRIDAY, JANUARY 24

1000-1100 SECRETARY GENERAL FOREIGN MINISTRY

1130-1230 MINISTRY INDUSTRY AND COMMERCE
1300-1500 LUNCHEON HOSTED BY U.S. INDUSTRY
1530-1630 DIRECTOR BNDE
1700-1800 OFFICE OF THE PRESIDENT

SATURDAY, JANUARY 25

0900-1030 SIDERBRAS - MR. BARBOSA
1100-1300 DE-BRIEFING AMBASSADOR AND EMBASSY STAFF
- CLOSE OF BRASILIA MEETINGS

1500 LEAVE FOR RIO DE JANEIRO/SAO PAULO

MONDAY, JANUARY 27

OPEN FOR MEETINGS IN RIO/SAO PAULO - CONSULATES SHOULD
BE AVAILABLE FOR ARRANGING MEETINGS FOR TASK FORCE
OFFICIALS.

6. ACTION REQUESTED: WE WOULD APPRECIATE EMBASSY
CONFIRMATION FINAL AGENDA WITH BARBOSA. PLEASE REPORT
PROGRESS ON ARRANGEMENTS FOR DELEGATION, I.E., BLOCK OF
ACCOMMODATION FOR ESTIMATED 18 PARTICIPANTS, FACILITIES
FOR SOCIAL FUNCTIONS, TRANSPORTATION TO MEETINGS SITES,
ETC.

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7. MEPD WILL SEND PROJECT OFFICER ARRIVING JANUARY 15
TO ASSIST EMBASSY/CONSUL IN MAKING FINAL PREPARATIONS.
WE WILL ALSO SEND FINAL LIST OF PARTICIPANTS, ARRIVAL
TIMES, ETC IN FOLLOW UP CABLE. INGERSOLL

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